Abstract

Construction is a risky industry and there is no other industry that requires proper application of business practices much as construction industry. Risks have a significant impact on a construction project’s performance in terms of cost, time and quality. As the size and complexity of the projects have increased, an ability to manage risks throughout the construction process has become a central element preventing unwanted consequences.

The main objective of this research is to gain understanding of risk factors that could be in front of construction projects in Khartoum. The study aims also to investigate the effectiveness of risk preventive and mitigative methods. Moreover, the usage of risk analysis techniques is addressed.

The results of the questionnaire show that there are many risk factors contractors and clients could not allocate them on the party that should bear these factors’ consequences. The study findings show that the contractors and the clients suffer from lack of innovative methods to prevent or mitigate risks. Contractors and clients – according to results – do not utilize risk analysis techniques but depend widely on direct judgment in estimating time and cost.

The results of this study recommended that there is an essential need for more standardization and effective forms of contract, which address issues of clarity, fairness, roles and responsibilities, allocation of risks, dispute resolution and payment. Both clients and contractors are called for identification of possible risk factors that could be faced and to allocate them contractually. There is a need to keep a computerized historical data of finished projects to help in rights reservation and to be an information source for future comparison. A standard form of contracts which address issues of clarity, fairness, roles and responsibilities, allocation of risks, dispute resolution and payment should be adopted for all the projects. More effort should be made to properly apply risk management in the construction industry.